

Message Text

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ACTION ARA-14

INFO OCT-01 ISO-00 CIAE-00 DODE-00 PM-05 H-01 INR-10
L-03 NSAE-00 NSC-05 PA-01 SP-02 SS-15 ICA-11
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R 311431Z MAY 78
FM AMEMBASSY TEGUCIGALPA
TO SECSTATE WASHDC 502
INFO AMEMBASSY GUATEMALA
AMEMBASSY MANAGUA
AMEMBASSY SAN JOSE
AMEMBASSY SAN SALVADOR
USCINCSO

C O N F I D E N T I A L TEGUCIGALPA 2543

SAN JOSE ALSO FOR DEA

E.O. 11652: GDS
TAGS: PINT, MPOL, SNAR, HO
SUBJ: NARCOTICS INVESTIGATION DEVELOPMENTS

REF: (A) TEGUCIGALPA 2436, (B) TEGUCIGALPA 2036

1. SUMMARY: EVEN THOUGH THE COMMISSION INVESTIGATING ALLEGATIONS OF NARCOTICS TRAFFICKING BY HIGH RANKING MILITARY OFFICERS HAS NOT YET ISSUED ANY STATEMENTS (REF A), PUBLIC AND PRESS INTEREST REMAINS HIGH. RECENT DEVELOPMENTS INCLUDE A LONG INTERVIEW WITH ALLEGED NARCOTICS TRAFFICKER RAMON MATTA, DETENTION OF A COLONEL FOR QUESTIONING, AND AN ALLEGATION, LATER DISPROVED, OF A BUSINESS LINK BETWEEN MATTA AND GENERAL POLICARPO PAZ. ONE KNOWLEDGEABLE OBSERVER HAS COMMENTED TO THE AMBASSADOR THAT HE IS BEGINNING TO SUSPECT A COVER-UP ATTEMPT. WHILE THE EMBASSY HAS AS YET SEEN NO EVIDENCE OF THIS, THE NARCOTICS INVESTIGATION CONTINUES TO HAVE POTENTIALLY SERIOUS IMPLICATIONS FOR THE ARMED FORCES GOVERNMENT. END SUMMARY.

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2. MANUEL GAMERO, DIRECTOR OF DAILY TIEMPO, TRAVELLED TO COLOMBIA AND INTERVIEWED THE NOW INFAMOUS RAMON MATTA, HIS ACCOUNTANT, ALEX OLIVA, AND HIS COLOMBIAN BUSINESS PARTNER, BERNARDO LONDONO. THE INTERVIEWS WERE PUBLISHED MAY 22-25 AND WERE ABOUT, AS TO BE EXPECTED, MATTA DENYING INVOLVEMENT IN EITHER FERRARI KIDNAPPING OR DRUG TRAFFICKING. OLIVA, HOWEVER, MATTER OF FACTLY

ADMITTED TO PUTTING OUT A CONTRACT ON FERRARI, BUT CLAIMED IT WAS NEVER CARRIED OUT BECAUSE OF THE COUPLE'S DISAPPEARANCE. LONDONO DESCRIBES HIMSELF AS A LEGITIMATE BUSINESSMAN UNFAIRLY TAGGED AS A TRAFFICKER. THE ARTICLES CONTAIN A NUMBER OF SUCH SELF-SERVING STATEMENTS AND ALSO APPEAR A WHITEWASH. GAMERO CLAIMS HE LIMITED HIMSELF TO SIMPLY REPORTING THE MATTA/OLIVA/ LONDONO VERSION OF EVENTS TO LET THE PUBLIC JUDGE FOR ITSELF. NEVERTHELESS, NO PLAUSIBLE EXPLANATION IS GIVEN FOR MATTA'S APPARENT WEALTH AND, READING BETWEEN THE LINES, IT IS CLEAR HE IS NOT THE LEGITIMATE SUCCESS HE CLAIMS, AND IS THE MAJOR TRAFFICKER HE IS ACCUSED OF BEING.

3. LA PRENSA PUBLISHED A STATEMENT BY MATTA'S LEGAL REPRESENTATIVE THAT MATTA AND ARMED FORCES COMMANDER GENERAL POLICARPO PAZ WERE JOINT OWNERS OF ABOUT 100 ACRES. THE NEXT DAY THE PAPER CLARIFIED THE LAWYER'S STATEMENT BASED UPON ITS OWN FURTHER INVESTIGATION. PAZ AND MATTA HAD NEVER MET AND THE LAND IN QUESTION WAS BOUGHT BY A NUMBER OF DIFFERENT PEOPLE AS AN INVESTMENT.

4. ON MAY 25, COL. RAMON REYES SANCHEZ, DIRECTOR OF TEGUCIGALPA'S CENTRAL PENITENTIARY WAS SUSPENDED FROM HIS POSITION AND IS NOW BEING QUESTIONED BY THE MILITARY INVESTIGATING COMMISSION. REYES HAD PREVIOUSLY BEEN IMPLICATED IN NARCOTICS SMUGGLING (TEGUCIGALPA 1368) AND JOINT LT. BARAHONA, FOR NATIONAL INVESTIGATION (DIN) CHIEFS MAJORS CALIDONIO AND RIVERA AND DIN SAN PEDRO COMMANDER CONFIDENTIAL

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LT. COELLO AS THOSE MILITARY OFFICERS PUBLICLY KNOW TO BE UNDER INVESTIGATION.

5. ONE KNOWLEDGEABLE REPORTER COMMENTED RECENTLY TO THE AMBASSADOR THAT HE IS INCREASINGLY CONCERNED THAT THE MILITARY COMMISSION IS SEEKING TO DRAW OUT ITS INVESTIGATION AS MUCH AS POSSIBLE AND THAT HE FEARS AN ATTEMPT AT A COVER-UP. AT THE SAME TIME, A LA PRENSA EDITORIAL ON MAY 26, NOTING UNCONFIRMED REPORTS THAT WALTER CRONKITE HAS INFORMATION ON HONDURAS (TEGUCIGALPA 2492) AS A TRANS-SHIPMENT POINT, WARNED THAT IF THE MILITARY COMMISSION DOESN'T PRODUCE CONCRETE RESULTS, THE COUNTRY COULD BE BEGINNING ANOTHER BANANAGATE (REFERRING TO THE 1975 BRIBE PAID BY UNITED FRUIT CO. WHICH PROVIDED THE MOTIVE FOR REMOVING GENERAL LOPEZ AS CHIEF OF STATE, BUT FOR WHICH NO HONDURAN HAS BEEN CONVICTED).

6. COMMENT: THE EMBASSY HAS AS YET SEEN NO EVIDENCE THAT THE ARMED FORCES DO NOT INTEND TO INVESTIGATE NARCOTICS ALLEGATIONS FULLY. THE PRESS HAS BEEN ALERT TO DEVELOPMENTS AND IS APPARENTLY DETERMINED NOT TO ALLOW IT TO BE BURIED. (SEE LIPPE-FIGGINS LETTER MAY 11). HOWEVER, UNLIKE THE OLANCHO VERDICT (TEGUCIGALPA 667) IN WHICH A NUMBER OF ACCUSED WERE TRIED AND TWO MILITARY

OFFICERS FOUND GUILTY, THE NARCOTICS SCANDAL HAS POTENTIALLY MORE
SERIOUS IMPLICATIONS FOR THE ARMED FORCES AND GOVERNMENT AND IS
CORRESPONDINGLY MORE DIFFICULT TO HANDLE.
JARAMILLO

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